

**Before the  
Federal Communications Commission  
Washington, D.C. 20054**

In the Matter of	)	
	)	CC Docket No. 96-45
Federal-State Joint Board	)	
On Universal Service	)	

To: Federal-State Joint Board on Universal Service

**Written Statement for the Record of ALLTEL Corporation**

ALLTEL Corporation ("ALLTEL") hereby submits this written statement for the record in the above-referenced matter and in conjunction with the meeting of the Federal-State Joint Board on Universal Service ("Joint Board") held in Denver, Colorado on July 31, 2003<sup>1</sup>.

ALLTEL is a diversified independent telecommunications company whose various subsidiaries and affiliates provide wireline local exchange services, interexchange services, wireless services (PCS, cellular and paging) internet service, and digital subscriber line services among other services. It is a member of the United States Telecom Association ("USTA"), the Independent Telephone and Telecommunications Alliance ("ITTA")<sup>2</sup>, and the Cellular Telecommunications and Internet Association ("CTIA"). ALLTEL provides wireline service to 3.1 million subscribers in 15 states, primarily in rural territories within the Southeast Region of the United States, and receives universal service funding for its wireline properties operating in high-cost areas. ALLTEL provides wireless services to over 7.8 million subscribers located in 24 states, and has sought ETC status for its wireless service offerings both before the Federal Communications Commission ("FCC")<sup>3</sup> and various state Commissions. ALLTEL's wireless service areas, as licensed by the FCC, encompass a population of approximately 60 million, although the vast majority of its licensed territories serve rural high-cost areas. The wide range of service offerings provided by ALLTEL permits it to offer this

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<sup>1</sup> Public Notice, *Federal-State Joint Board on Universal Service to Hold En Banc Hearing on the Portability of High Cost Universal Service Support and the ETC Designation Process*, DA 03-2294 (released July 11, 2003).

<sup>2</sup> While a member of ITTA, ALLTEL does not join in the testimony submitted on behalf of ITTA in this matter, given the diversity of ALLTEL's interests in the matters before the Joint Board.

<sup>3</sup> ALLTEL currently has applications pending before for ETC status in the states of Alabama and Virginia. It anticipates the filing of applications before the FCC for the states of North Carolina, Georgia and Florida in the near future.

statement from a balanced, market-based perspective without bias for a particular technology platform or a specific set of services.

ALLTEL favors universal service reform focused on providing consumer choice among competitive, market driven offerings of reliable, affordable and comparable services on a technology neutral basis. It does not support any requirement that the complement of service offerings required to receive universal service support be determined solely by reference to traditional ILEC services. Rather, ALLTEL advocates policy objectives of universal service that better comport with a plain reading of Sections 254 and 214 of the Communications Act of 1934, as amended (the “Act”).

The major thrust of the Act as it defines universal service is to provide a level of service that is not static, but rather an “evolving” level of service determined through, among other things, operation of market forces and consumer choice. The Act also specifically contemplates competition among those carriers receiving universal service support through the provision of authority to designate multiple eligible telecommunications carriers (“ETCs”), while requiring that a public interest determination be made before multiple ETCs are approved in territories served by rural ILECs. The Act is devoid, however, of any preference to a particular technology so as to promote access to advanced telecommunications and information services on a technology-neutral basis.

ALLTEL does not support the imposition of additional service requirements on ETCs, such as equal access, traditional ILEC regulation, or conditions of any variety that result in service offerings to consumers that are narrower, more costly, or stifling to the provision of diverse service offerings by competing carriers. Rather, the approval of multiple ETCs in a territory – and the resulting competitive environment -- should trigger the elimination of traditional regulation of all carriers in that market area, including the ILEC.

Specifically, ALLTEL supports the following broad principles for universal service reform as consistent with the goal of the Act:

- 1) **Consumer Choice.** Subscribers in high cost areas should not be deprived of the Act’s promise of advanced telecommunications service offerings provided by wireless carriers, including, for example, broader local calling scopes and mobility.
- 2) **Competition.** The telecommunications market for two-way voice is evolving as a consequence of competition and will continue to produce new and novel service offerings as demanded by subscribers. For example, substitution of wireless for conventional wireline services offerings is occurring at an accelerated rate. Policy should augment, not frustrate, the operation of the competitive market and the exercise of consumer choice that is a foundation of the definition of universal service.

- 3) **Comparable Services.** ALLTEL believes that USF should be available to competitors offering comparable services, as the Act requires. The determination of comparable services, however, should not be limited to, or constrained by, the conventional service offerings or market boundaries of the ILECs. Provision of comparable service by competing carriers should result in less regulation and more market freedom for all carriers.
- 4) **Technological Neutrality.** Support for providing service in high cost areas should not favor one technology platform over another.

ALLTEL is grateful for the opportunity to share its views with the Joint Board, and to assist in shaping its recommendations.

Respectfully submitted,

ALLTEL Corporation

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